

**Application of Wisconsin Energy Corporation for Approval to Acquire the
Outstanding Common Stock of Integrys Energy Group, Inc.
PSCW Docket No. 9400-YO-100**

**WEC's Response to
Commission Staff's Tenth Data Request
Dated: October 28, 2014**

REQUEST NO. PSCW-10.20:

Please provide a monetary figure associated with the expected merger savings of "three to five percent of non-fuel O&M" as found in the pre-filed testimony of Company Witness Reed found on page 34, line 17.

RESPONSE:

As discussed on page 34, lines 20-22 of Mr. Reed's testimony, neither the Companies nor Mr. Reed have conducted a detailed analysis of the potential merger savings specific to the merger of WEC and Integrys. Furthermore, the three to five percent estimate assumes that the Transaction is approved as proposed, and is expected to occur after a five to ten year ramp-up period relative to what non-fuel O&M costs for the Companies would have been absent the Transaction. Nonetheless, based on the combined 2013 non-fuel O&M expense of \$ 2,200 million (O&M expense excludes Integrys Energy Services (retail business) and UPPCO), a three to five percent reduction would be equivalent to savings of approximately \$66 million to \$110 million.

Answered by: John J. Reed